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首長國際企業有限公司

SHOUGANG CONCORD INTERNATIONAL ENTERPRISES COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 697)

**TERMINATION OF THE SECOND SHARE SALE
AGREEMENT RELATING TO THE ACQUISITION OF
SHARES IN ASIA IRON HOLDINGS LIMITED**

The Board wishes to announce that as one of the conditions to the Second Share Sale Agreement relating to the Acquisition could not be satisfied, the Second Share Sale Agreement will be terminated in accordance with its terms. The Acquisition will no longer be effective upon the termination of the Second Share Sale Agreement and each party is released from its obligations to further perform its obligations under the Second Share Sale Agreement in respect of the Acquisition.

References are made to the announcements of Shougang Concord International Enterprises Company Limited (the “**Company**”) dated 8 June 2006, 30 June 2006 and 7 July 2006 and the circular of the Company dated 28 July 2006 (the “**Circular**”) relating to the Acquisition. Terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Board announced on 7 July 2006 that MGI, MGM, Sky Choice and the Company have entered into the Second Share Sale Agreement on 5 July 2006, pursuant to which Sky Choice has agreed to purchase the Sale Shares, representing approximately 72.6% of the issued share capital of Asia Iron for an aggregate consideration of AUD\$52,500,000 (equivalent to approximately HK\$306,075,000). Completion of the Second Share Sale Agreement is conditional upon, among other things, the Minority Agreement either terminates automatically on its terms or is terminated by any party to the Minority Agreement prior to completion of the sale under the Minority Agreement. The Company has been informed by the Sellers on 22 August 2006 that the sale of the Sale Shares under the Minority Agreement has been completed. Accordingly, one of the conditions to the Second Share Sale Agreement could not be satisfied and the Second Share Sale Agreement will be terminated in accordance with its terms. The Acquisition will no longer be effective upon the termination of the Second Share Sale Agreement and each

party is released from its obligations to further perform its obligations under the Second Share Sale Agreement in respect of the Acquisition.

By Order of the Board
Shougang Concord International Enterprises Company Limited
Cao Zhong
Managing Director

Hong Kong, 22 August 2006

As at the date of this announcement, the Board comprises Mr. Wang Qinghai (Chairman), Mr. Cao Zhong (Managing Director), Mr. Chen Zhouping (Deputy Managing Director), Mr. Luo Zhenyu (Deputy Managing Director), Mr. Ip Tak Chuen, Edmond (Non-executive Director), Mr. Leung Shun Sang, Tony (Non-executive Director), Ms. Kan Lai Kuen, Alice (Independent Non-executive Director), Mr. Wong Kun Kim (Independent Non-executive Director) and Mr. Leung Kai Cheung, Kenneth (Independent Non-executive Director).

Please also refer to the published version of this announcement in South China Morning Post - Classified.